

As Prepared for Delivery

**Jack Gerard, API President and CEO
State of American Energy Event
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Thank you, Shelby.

And thank all of you for joining us today. I would particularly like to acknowledge our guests today ... for taking time from their busy schedules to join us.

What we say here in Washington is important because it is here, after all, that policy that affects all Americans is made.

But there are millions of other voices across the country, and what happens here should be a reflection of what Americans are saying.

And in poll after poll, over the last year, they have voiced their opinions about our energy choices. They have framed the issues in ways that are most relevant to their families, businesses and communities.

With that in mind, I would like to share with you a few of the voices we heard as we prepared for today's State of American Energy event:

[Video runs approximately 2:00]

You know, it's never a bad idea to listen to the American people.

Their comments can cut to the heart of things and find clarity—in sharp contrast to the confusion that often prevails today inside Washington's Beltway.

Americans look for consensus, which has become rare in here in Washington.

Without question, in this election year, what voters are saying is: give us leadership.

Give us leaders who share our vision of a strong and prosperous America, based on our ability to create and innovate.

That's the vision shared by the men and women who work in the U.S. oil and natural gas industry—it's built upon what America's oil and natural gas industry is doing to support the economy and workers ... a vision based upon the knowledge that we have the resources to do more ... and the vision that we can secure our own energy future.

It's a vision defined by opportunity.

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Where does this vision come from? It comes from three key facts: First, from the knowledge that we are an energy-rich nation. We have more oil and natural gas than anyone thought possible even 20 years ago: more potential energy than many oil-exporting nations in the Mideast, and more than most countries in the world.

And if you consider oil and natural gas—as well as our other fossil fuels like coal—the United States has the largest energy resources in the world. More than Saudi Arabia, more than Russia, more than China, Venezuela, Brazil, and more than Iran – Iraq – Libya – and Kuwait combined.

When we look at all our domestic energy options – fossil fuels, nuclear energy, renewable and alternative energy sources such as biofuels – we see a nation with an abundance of opportunity for growth.

Second, this vision is based on our knowledge that this industry is a tremendous catalyst for growth. At a time when millions of Americans are unemployed, or underemployed, the U.S. oil and natural gas industry supports 9.2 million jobs: jobs in exploration and production, but also in companies that service and supply industry operations, and jobs that are created through economic activity driven by this sector.

And accessing more domestic oil and natural gas on federal lands currently off-limits would mean an additional 1.4 million jobs by 2030, with one million of those jobs created in just seven years.

That's good news not just for American workers, but also for our government ... pro-development energy policies could return \$803 billion to the federal government in 2030.

Accessing more of our country's own resources, using our country's own workers, would mean more money in the federal treasury through royalties, leases, bonus bids and corporate taxes. Right now, that's more than \$86 million every day—if we do more tomorrow, it will mean more as well.

And third: the opportunity for more access doesn't just mean "more"—more jobs, more economic growth, and more money to the treasury. It means something every presidential candidate will talk about this year: it means greater national security.

As *The New York Times* reported, energy geopolitics are rebalancing and the Western Hemisphere, with the U.S., Canada and Brazil, is at the front. This is not a vision of America at the mercy of other oil-producing regions, but of an America that holds the reins to her energy security.

And this vision is supported by the facts. There are trillions of dollars worth of still-to-be-developed oil and natural gas here in the United States. And improving technology—whether the latest in directional drilling and hydraulic fracturing or advances in deepwater exploration—

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are making every discovery potentially more productive while also improving our ability to conduct our operations more safely and cost-effectively.

Many of you may not be aware, but earlier this year the deepest, deepwater well in the world was drilled in the Gulf of Mexico. The industry is a world leader in the shale energy revolution. And our refineries and pipelines produce and distribute some of the cleanest fuels in the world.

The ability of our energy companies to develop our own resources is good news because we will need more, even with ongoing gains in energy efficiency.

The Energy Information Administration predicts the world will need 45 percent more energy in 2035—and the U.S. will need 16 percent more. To get there, we'll need a lot more renewable energy, but also more fossil fuels. And despite rapidly expanding renewable energy sources like solar and wind power, we'll still need oil and natural gas to supply more than half our energy.

New development has taken off in parts of the U.S., transforming local economies. In North Dakota, for example, energy development has made that state the nation's fourth largest oil producer and driven down unemployment to just over three percent.

One in seven of today's recent college graduates live at home today because they can't find good jobs. In North Dakota, young people working in oil and gas hold jobs that pay more than their parents earn. The average oil and gas salary in North Dakota is more than \$90,000 a year—more than double the state average.

In Pennsylvania, Governor Corbett's staff told me that shale gas development generated more than 90,000 jobs between 2009 and 2011. That development has also generated many millions of dollars of revenue to the state treasury.

We're also seeing shale success stories in Texas, Arkansas, Louisiana and West Virginia. And we may see them soon in Ohio and ultimately in New York.

The shale gas revolution has also helped drive down consumer natural gas prices.

And the availability of clean, efficient and reliable domestic natural gas through shale development is keeping American businesses more competitive and keeping those jobs here at home.

The Wall Street Journal reported that West Virginia, Ohio and Pennsylvania are vying for a new chemical plant—and the jobs that go with it—to produce the critical building blocks for most of the products we use every day. The shale energy resurgence is creating a manufacturing resurgence in cities and towns hit hardest by the unemployment crisis.

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That's one energy vision: abundant resources, developed and refined here in the U.S. to the highest standards, creating domestic energy that is ready to work for America's businesses and families.

Unfortunately, it isn't everyone's vision. Some seem to be opposed to any oil and natural gas development.

There is a vision of restrained oil and natural gas development that keeps American resources beyond reach, on the shelf and missing from the energy equation, while encouraging greater production from the Mideast and Latin America.

There is a vision that welcomes only certain energy investments, that favors particular resources, and applauds only part of our abundant energy supplies ... and they have backed this vision with opposition to domestic oil and natural gas development.

We've seen it in limited planning for developing our resources, like the latest Five-Year Plan for Outer Continental Shelf leasing and onshore drilling restrictions.

We've seen it in the continued delay of the Keystone XL pipeline – the largest shovel-ready project promising 20,000 construction-related jobs over the next two years, enabling more than half a million new U.S. jobs by 2035. The pipeline—and further development of Canada's oil sands—could mean that our largest supplier of imported oil could supply even more: one in every four barrels of oil the U.S. will need in 2030.

We see it in an incoherent approach to natural gas development – lauding its obvious benefits while ratcheting up pressure for new layers of duplicative regulations that could stop energy development dead in its tracks.

We see it in the onslaught of regulations from a host of federal agencies that threatens to impose unnecessary costs on businesses struggling to survive.

Frankly, this vision and its policies are disconnected from current economic and energy reality, which is a landscape of global economic struggles and geopolitical challenges. This vision ignores the jobs and the energy that could be produced here in the U.S. Instead, it's on a course for less energy, not more.

These policies are failing us. They prevent us from adequately preparing for the longer term, when we know our nation will still be demanding substantial quantities of oil and natural gas ... as well as alternatives.

We need focus. And, we need a clear path.

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That is why we are here today. To lay-out a vision that acknowledges America has the resources to address our biggest priorities:

- Create American jobs;
- Generate revenue—to spur investment in our nation, turn around our economy, and support our government, and
- Strengthen our national security.

This is a vision of an energy future that keeps millions of Americans at work ... and generates a million new jobs in the near-term.

It's an energy future that will generate billions of dollars for the government and help ease our out-of-control debt.

It's a future that is available through our own, domestic energy resources ... strengthening America's energy security.

So, how do we get there?

It's going to take more than tweaking current policies at the margins. It's going to take a course correction.

We need to acknowledge that the current path of shrinking energy options won't support the energy needs and economic growth required to ensure a better future for all Americans.

We cannot stay trapped by policies that are driven by a zero-sum game philosophy for energy: that we must have less oil and natural gas so we can have more of something else.

We must abandon energy rhetoric that pits one resource against another. We need all of our resources—oil and natural gas, coal, nuclear, wind, solar, biofuels and more. Only through smart, realistic deployment of all of America's energy assets can we realize our goal of keeping this country energy secure.

We are on the wrong track. Even the status quo will not be enough.

So let's change course. Let's take advantage of the many opportunities we have to determine our energy future.

It's a future based on increased self-sufficiency and enhanced energy and national security through greater access to domestic resources. We can safely and responsibly produce more of the energy Americans want and need through our own significant supplies of oil and natural gas.

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The right track means more domestic energy of all types, including renewable energy, increased efficiency and promoting other environmentally-friendly options, including next generation technologies to reduce our carbon footprint.

Getting on the right track means we must engage the American people on these issues and make energy an important part of our national debate this year.

Last night, in Iowa, the first official votes were cast in the contest that will elect our next president.

API worked to ensure that energy issues were prominent in policy discussions in several early primary states last year, and we will ensure they remain front-and-center in all states.

This year, an election year, presents the perfect opportunity to encourage that discussion, so we're launching a national initiative— "Vote 4 Energy"—that will help Americans understand what's at stake and why energy issues should figure prominently in their voting decisions.

"Vote 4 Energy" is not about a political party—it's not even about the candidates. We are going to encourage voters, all voters, to make energy a voting issue.

You can see some of those ads for this campaign around the room today.

But this isn't an advertising campaign, it's a conversation. We'll hold up our end: through information distributed through our state networks, through grassroots outreach to millions of voters, and through conversations like the one we're having here today.

And we'll be encouraging the president and the Republican presidential candidates to participate too. We need our president, and our leaders in Congress and in the states, to talk about the energy choices we face, the challenges and the opportunities ahead of us, and their vision for our country's energy future.

We are doing this because an electorate that is educated on energy issues will demand of all candidates, for every office, a commitment to honest commonsense discussions of how we can achieve energy security.

In making those demands, voters will be, in effect, voting for energy and for a better future for our nation.

A vote for energy is not a vote for a person, or a party, or even a philosophy. We won't be picking sides or choosing candidates. But we will help promote the understanding that a vote for energy is a vote for America and its future.

We believe that the State of American energy is strong, and that it holds even greater promise.

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Over the course of our history, Americans have refused to settle for less. And we don't have to settle for less now.

We have the resources to meet our energy challenges.

With the right leadership and vision, we can turn our challenges into opportunities that will make our country stronger.

That's our goal.

That's the object of our campaign.

I hope you'll join us.

Thank you.